

- ## Decision Package FWP Area and Field Office Lease Increases

Havre Area Office was leased from an elderly woman. Shortly after her passing in 2007 the lease expired and the property was transferred through her estate. Negotiations with the new owners are underway. FWP had budgeted for a \$700/month payment but has had to pay \$1,100/month since mid 2008, an increase of \$4,800/year. Utility costs are now approximately \$3,600 per year. Negotiations are ongoing and will cost more based on the landlord and annual inflationary increases. The property value has increased extensively in Havre due to a strong economy from the influx of homeland security efforts and the increased demand for rental properties. (\$8,400 increase to date with negotiations still ongoing.)

Choteau Field Office lease renewal in 2008 included additional office space to accommodate one more FWP staff that had been working from his home. The offices are leased from a local landlord. The new lease adds \$1,440 to our annual cost with annual inflationary increases anticipated.

Butte Area Office is located in a privately owned building shared with the US Forest Service. The space occupied by FWP staff was under a long-term lease until winter of 2008 when new terms were negotiated. The FY07 lease cost was \$18,000/year. The new lease (2009 – 2013) starts at \$20,300 /year with inflationary increases each year of \$400 to \$600, plus utility costs of approximately \$2,750/year.

Dillon Field Office houses 12 full time and seasonal employees. The previous annual payment was \$18,510. In 2009, the lease payment will be \$23,895. The new lease has a 3% per year inflationary adjustment for the next 5 years. Utility costs have also increased over the past few years.

Summary:

Havre	\$ 8,400
Choteau	\$ 1,440
Butte	\$ 5,050
Dillon	\$ 5,385
Estimate for pending negotiations and inflationary adjs.	\$ 4,725
TOTAL	\$25,000

5301 Department Of Environmental Quality Revised Executive Budget Comparison Table							All Programs	
R02 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	21,024,452	23,309,232	25,591,747	25,674,357	44,333,684	51,266,104	6,932,420	15.6%
Operating Expenses	19,642,858	30,235,268	37,401,716	36,304,394	49,878,126	73,706,110	23,827,984	47.8%
Equipment & Intangible Assets	107,827	237,754	151,561	150,527	345,581	302,088	(43,493)	-12.6%
Capital Outlay	441,304	-	141,304	141,304	441,304	282,608	(158,696)	-36.0%
Grants	1,870,416	2,216,541	2,033,416	2,033,416	4,086,957	4,066,832	(20,125)	-0.5%
Benefits & Claims	-	-	-	-	-	-	-	0.0%
Transfers	-	-	-	-	-	-	-	0.0%
Debt Service	-	1,807	-	-	1,807	-	(1,807)	-100.0%
Total Costs	43,086,857	56,000,602	65,319,744	64,303,998	99,087,459	129,623,742	30,536,283	30.8%
General Fund	4,785,174	5,088,372	5,915,015	5,940,515	9,873,546	11,855,530	1,981,984	20.1%
State/other Special Rev. Funds	18,943,357	24,069,733	36,301,861	35,223,942	43,013,090	71,525,803	28,512,713	66.3%
Federal Spec. Rev. Funds	19,358,326	26,842,497	23,102,868	23,139,541	46,200,823	46,242,409	41,586	0.1%
Proprietary Funds	-	-	-	-	-	-	-	0.0%
Total Funds	43,086,857	56,000,602	65,319,744	64,303,998	99,087,459	129,623,742	30,536,283	30.8%

This addendum reflects the changes made to budget for the **Department of Natural Resources and Conservation** as analyzed in the January 2009 Legislative Budget Analysis, Volume 5, which was based upon the November 15, 2008 executive budget submission.

Agency Summary

The table above represents the executive budget request including revisions made in December 2008. Information on the changes made in the executive budget between November and December 2008 are summaries in the next table. Discussion of each change is included in this document at the program level.

In total, the December budget revisions for this agency reduce funding by \$2.5 million total funds, including \$1.3 million general fund for the biennium. The largest general fund reduction is in the Permitting and Compliance Division in relation to decreasing the decision package to support public water supply program.

Changes or Additions

The following tables and narrative discuss the differences between the November 15, 2008 and the December 15, 2008 budgets.

5301 Department Of Environmental Quality Executive Budget Reconciliation							All Programs	
	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds		
	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11		
<i>Calculation of Executive Budget (Nov. 15, 2008)</i>								
FY 2008 Base	4,785,174	4,785,174	9,570,348	43,086,857	43,086,857	86,173,714		
Statewide Present Law Adjustments	445,784	454,892	900,676	4,906,165	4,997,321	9,903,486		
Other Present Law Adjustments	1,131,522	1,138,317	2,269,839	13,071,990	12,149,404	25,221,394		
New Proposals	75,000	75,000	150,000	5,514,096	5,324,568	10,838,664		
Original Executive Budget	6,437,480	6,453,383	12,890,863	66,579,108	65,558,150	132,137,258		
Revised Executive Budget	5,915,015	5,940,515	11,855,530	65,319,744	64,303,998	129,623,742		
<i>Executive Budget Revisions (Dec. 15, 2008)</i>								
PL05021 Public Water Supply Staff	(430,000)	(420,000)	(850,000)	(430,000)	(420,000)	(850,000)		
PL07101 Fuel Inflation Reduction	(657)	(751)	(1,408)	(4,482)	(5,143)	(9,625)		
Present Law Total	(430,657)	(420,751)	(851,408)	(434,482)	(425,143)	(859,625)		
NP05008 Air Program - Field Office Vehicles	-	-	-	(16,543)	(18,062)	(34,605)		
NP08101 Increasing 4% Vacancy Savings To 7%	(91,808)	(92,117)	(183,925)	(808,339)	(810,947)	(1,619,286)		
New Proposal Total	(91,808)	(92,117)	(183,925)	(824,882)	(829,009)	(1,653,891)		
Total All Decision Packages	(522,465)	(512,868)	(1,035,333)	(1,259,364)	(1,254,152)	(2,513,516)		



5301 Department Of Environmental Quality				All Programs		
<i>Executive Budget Revisions (Dec. 15, 2008)</i>						
Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
PL01001 Non Proprietary Operations Adjustments	17,047	18,566	35,613	399,787	408,182	807,969
PL02005 Planning Division Operations Adjustments	(37,119)	(35,801)	(72,920)	1,492,896	1,511,683	3,004,579
PL03002 Enforcement Operations Adjustments	41,425	45,469	86,894	96,385	105,795	202,180
PL04002 Remediation Operations Adjustments	-	-	-	446,803	483,714	930,517
PL04005 Basin Creek Mine Closure Plan BIEN - OTO	-	-	-	750,000	-	750,000
PL04006 Beal Mountain Mine Closure BIEN-OTO	-	-	-	260,000	-	260,000
PL04009 KRY Remediation Oversight - BIEN - RST - OTO	-	-	-	1,200,000	1,200,000	2,400,000
PL04011 Accelerated Remediation CECRA Sites BIEN/RST/OTO	-	-	-	364,000	364,000	728,000
PL04012 CECRA Accelerated Remediation Base Adjustment	-	-	-	3,000,000	3,000,000	6,000,000
PL05002 Air Online Permit & Compliance Reporting BIEN/OTO	-	-	-	75,000	75,000	150,000
PL05003 Air Regulatory Assistance BIEN	-	-	-	250,000	250,000	500,000
PL05004 Area Source MACT Registration	-	-	-	130,820	129,895	260,715
PL05006 ARMB Student Intern Funding	-	-	-	94,946	94,946	189,892
PL05018 Permitting & Compliance Operations Adjustments	110,169	110,083	220,252	1,583,073	1,594,512	3,177,585
PL05019 Hard Rock-Major Facility Siting Act Projs-BIEN-RST	-	-	-	1,750,000	1,750,000	3,500,000
PL05021 Public Water Supply Staff	570,000	580,000	1,150,000	570,000	580,000	1,150,000
PL07101 Fuel Inflation Reduction	(657)	(751)	(1,408)	(4,482)	(5,143)	(9,625)
PL09001 Petroleum Board Subrogation Operation Adjustments	-	-	-	178,280	181,677	359,957
Present Law Total	700,865	717,566	1,418,431	12,637,508	11,724,261	24,361,769
NP02004 Technical Assistance for Waste Water Treatment Sys	-	-	-	98,897	101,250	200,147
NP02051 State Buildings Energy Conservation Program- BIEN	-	-	-	808,842	612,749	1,421,591
NP04015 Joint DEQ-DNRC Reliance Refinery - BIEN-OTO-RST	-	-	-	4,500,000	4,500,000	9,000,000
NP04016 Remediation New Leased Vehicles	-	-	-	14,814	17,507	32,321
NP05010 Swift Gulch Treatment System Operating Expenses	50,000	50,000	100,000	50,000	50,000	100,000
NP05011 Whitefish Lake Monitoring - Bien/OTO	25,000	25,000	50,000	25,000	25,000	50,000
NP08101 Increasing 4% Vacancy Savings To 7%	(91,808)	(92,117)	(183,925)	(808,339)	(810,947)	(1,619,286)
New Proposal Total	(16,808)	(17,117)	(33,925)	4,689,214	4,495,559	9,184,773
Total All Decision Packages	684,057	700,449	1,384,506	17,326,722	16,219,820	33,546,542